

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Arlington Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 3, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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ARLINGTON CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2021	3,102,185	148,422,145	10,724,140	(27,218)	13,799,108	6.00%
2022	3,241,783	148,060,617	11,412,489	(27,218)	14,627,054	6.00%
2023	3,387,664	146,804,382	12,144,232	(27,218)	15,504,677	6.00%
2024	3,540,108	147,616,788	12,922,067	(27,218)	16,434,958	6.00%
2025	3,699,413	144,123,351	13,748,860	(27,218)	17,421,056	6.00%
2026	3,865,887	139,500,706	14,627,650	(27,218)	18,466,319	6.00%
2027	4,039,852	133,614,170	15,561,664	(27,218)	19,574,298	6.00%
2028	4,221,645	126,316,182	16,554,328	(27,218)	20,748,756	6.00%
2029	4,411,619	117,445,183	17,609,280	(27,218)	21,993,681	6.00%
2030	4,610,142	106,824,416	18,730,378	(27,218)	23,313,302	6.00%
2031	4,817,598	94,260,621	19,921,720	(27,218)	24,712,100	6.00%
2032	5,034,390	79,542,625	21,187,654	(27,218)	26,194,826	6.00%
2033	5,260,938	62,439,819	22,532,796	(27,218)	27,766,516	6.00%
2034	5,497,680	42,700,515	23,962,044	(27,218)	29,432,507	6.00%
2035	5,745,076	20,050,163	20,050,163	(27,218)	25,768,021	-12.45%
2036	6,003,604	-	-	(27,218)	5,976,386	-76.81%

Amortization of Unfunded Liability as of July 1, 2020

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2006	ERI2003 - Town	15,910	4.00%	16	28,620	1
2021	Fresh Start	N/A	N/A	15	N/A	15

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. Type is the reason for the creation of the base. Original Amortization Amount is the annual amortization amount when the base was established. Percentage Increasing is the percentage that the Original Amortization Amount increases per year. Original # of Years is the number of years over which the base is being amortized. Current Amortization Amount is the amortization payment amount for this year. Years Remaining is the number of years left to amortize the base.

* Includes recognition of the following asset gains/(losses) in Fiscal 2022 through 2024:

2022	\$	(723,751)
2023	\$	(590,885)
2024	\$	(3,530,427)

** Contribution is set to be the amount resulting from a 6% increase on the prior year's contribution, with 6% increases thereafter. The contribution in FY2035 decreases by -12.45%.